



Fabchem China Limited

FABCHEM EXTENDS STRONG GROWTH; 9M2012 NET PROFIT EXCEEDS FY2011

- Revenue up 27.3% to a record RMB 409.8 million for 9M2012
- Gross profit up 28.3% to a record RMB 129.0 million for 9M2012, gross profit margin stood at 31.5%
- Net profit up 46.0% to a record RMB 50.4 million in 9M2012 exceeding FY2011 net profit of RMB 35.3 million
- Sustained mining activities boosted strong market demand with broad-based growth for Fabchem's commercial explosive-related products
- Stronger balance sheet with cash position of RMB 127.63 million and low gearing of 0.06x⁽¹⁾

<i>(RMB' million)</i>	3Q2012	3Q2011	Change (%)	9M2012	9M2011	Change (%)
Revenue	140.1	127.8	▲ 9.6	409.8	322.0	▲ 27.3
Gross Profit	44.6	39.4	▲ 13.3	129.0	100.6	▲ 28.3
Profit Before Tax	26.6	19.4	▲ 37.3	70.7	50.4	▲ 40.3
Net Profit	19.2	13.2	▲ 46.2	50.4	34.5	▲ 46.0
EPS⁽²⁾ (RMB Cents)	8.22	5.63	▲ 46.2	21.55	14.76	▲ 46.0
EBITDA⁽³⁾	31.1	23.9	▲ 30.4	84.7	64.2	▲ 32.0
<i>(RMB Cents)</i>	As at 31 Dec 11	As at 31 Mar 11	Change (%)			
NAV per share⁽²⁾	184.01	165.31	▲ 11.3			

(1) Gearing = Total Borrowings and Debts Securities/ Total Assets

(2) Based on weighted average number of 234 million shares.

(3) EBITDA – Earnings before Interest, Tax, Depreciation and Amortisation

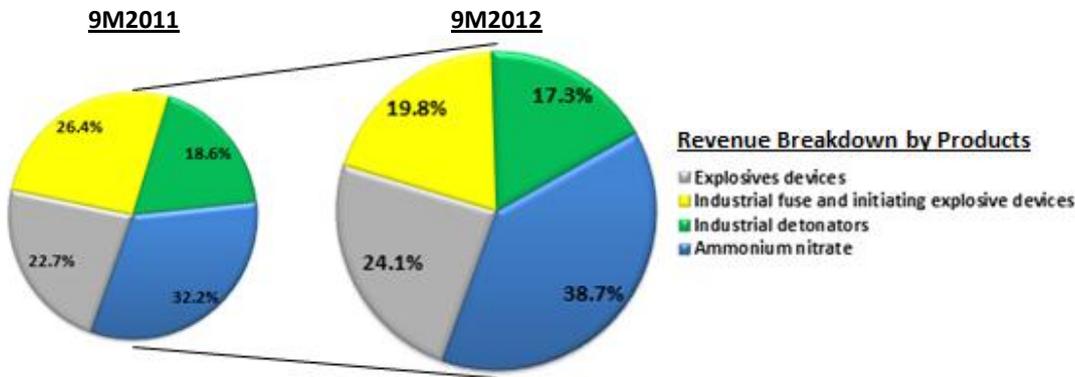
Singapore, 13 February 2012 – Singapore Exchange Mainboard-listed Fabchem China Limited (“Fabchem”, “中国杰化有限公司” or “the Group”), today reported a strong set of financial results for the third quarter (“3Q2012”) and nine months (“9M2012”) of the financial year ending 31 March 2012.

Based in China with a 32-year safety track record, Fabchem is a leading manufacturer of initiation systems and the largest boosters and detonating cords producer within a supply-regulated industry in China, where foreign involvement are restricted. Incitec Pivot Limited, via the world's second largest commercial explosives manufacturer, Dyno Nobel, owns a 29.9% strategic stake in Fabchem.



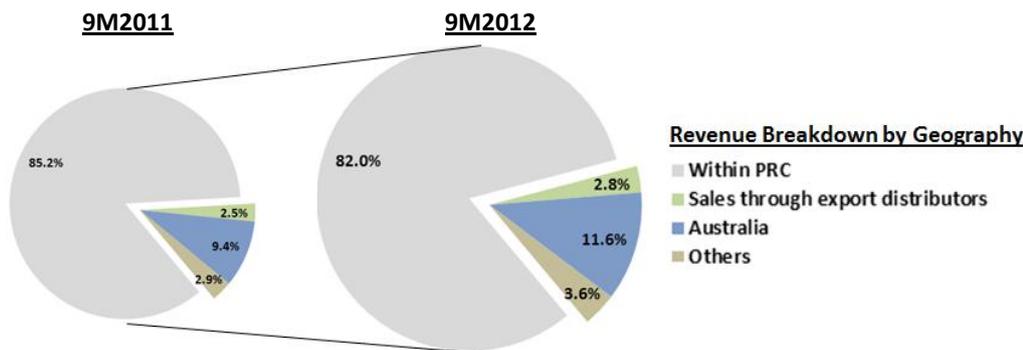
Broad-Based Growth Underpinned by Expanding Revenue Base

Driven by sustained mining activities in the domestic and overseas market for energy and metal resources, the Group's product groups of (a) explosive devices (b) industrial detonators and (c) ammonium nitrate grew 34.7%, 18.9% and 52.8% respectively during the first nine months of its financial year.



The Group's wholly-owned subsidiary, Hebei Yinguang Chemical Co., Ltd ("Hebei Yinguang"), a major explosive-grade ammonium nitrate manufacturing company in the PRC, continued its strong performance as revenue increased to RMB 158.42 million in 9M2012, accounting for the largest contribution to the overall revenue.

Overseas Growth Outpaced Domestic Growth



While domestic revenue growth increased 22.5% to RMB 336.09 million in 9M2012, overseas revenue growth surged 54.8% ahead to RMB 73.71 million during the same period. Backed by increased sales to resource-rich countries, particularly Australia, overseas markets have accounted for a growing proportion of total revenue.

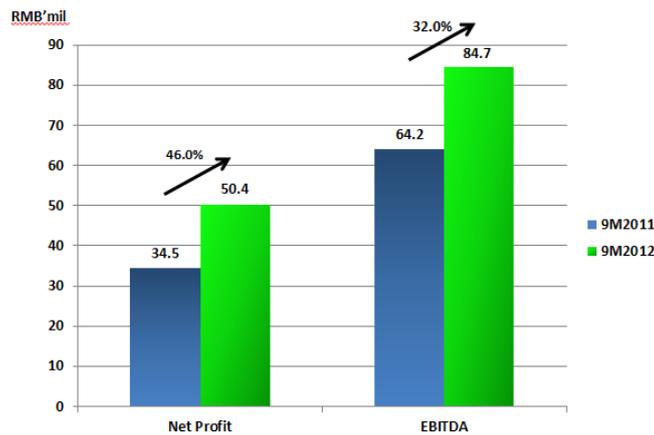
Improved Financial Performance

Despite higher raw material prices and a higher proportion of lower-margin product (ammonium nitrate) in its product sales-mix, overall gross profit margin improved marginally to 31.8% for 3Q2012 and 31.5% for 9M2012. Notably, gross profit margin for ammonium nitrate increased from 16.2% in 9M2011 to 21.5% in 9M2012 due to higher average selling prices which was market-driven.

The improved operational performance was attributed to positive effects from reduced rental expenses, cost management initiatives, higher production efficiency as well as an overall favourable business environment. As a result, net margin improved to 12.3% and profit attributable to shareholders surged 46.0% to RMB 50.42 million in 9M2012.

Commenting on the Group's latest financial results, Mr Sun Bowen (“孙博文”), Fabchem's Managing Director, said, “I am proud of the record financial performance achieved to date as our business segments and regions delivered growth on the continued strength of our commercial explosive-related products.

The underlying fundamentals of the domestic and global mining industry remain encouraging and as one of China's leading manufacturer in this highly-regulated industry, we remain focused in strengthening our market position and generating organic growth across our business segments.”



Stronger Balance Sheet

On the back of the Group's strong operating results, total assets increased to RMB 692.96 million as at 31 December 2011. Guided by its conservative financial management policy, the Group's balance sheet remained healthy as the Group's cash position stood at RMB 127.63 million with low gearing of 0.06x.

Shareholders' equity stood at RMB 430.57 million, up 11.3% or RMB 43.74 million higher than 31 March 2011. Net asset value per share stood at RMB 184.01 cents, up 11.3% or RMB 18.70 cents from 31 March 2011.

The Group also recorded RMB 262.39 million in total liabilities, of which the major portion was attributable to trade and other payables of RMB 205.42 million at the end of December 2011. Trade and other payables increased by RMB 103.3 million mainly due to the increase in other payables for the acquisition of the land and buildings subsequent to the approval obtained from shareholders in July 2011.

For the nine months ended 31 December 2011, the Group recorded net cash generated from operating activities of approximately RMB 40.34 million.

Mr Sun added, “The strength of our balance sheet and liquidity will continue to be part of the Group's key emphasis as our business operations grow.”

Recent Corporate Highlights

Following shareholders' approval in July 2011, the Group is undertaking the acquisitions of the land and buildings at Fei County, Linyi City, Shandong Province, PRC, where the Group's manufacturing facilities and warehouses are located.

Separately, on November 2011, shareholders approved the adoption of the proposed IPT Mandate in respect of future product sales which the Group may enter into with the Dyno Nobel Group. Since then, the Group has secured more sales contracts from Dyno Nobel Group.

Through the acquisition of Dyno Nobel in 2008, Incitec Pivot Limited owns a 29.9% strategic stake in Fabchem. Incitec Pivot Limited is an Australia-listed leading global manufacturer of nitrogen-based chemicals.

Mr Sun concluded, *"Leveraging on our established track record, we will continue to prudently manage our business operations, cost efficiencies as we pursue our long-term growth strategy."*

– END –

This document is to be read in conjunction with Fabchem's exchange filings on 13 February 2012, which can be downloaded via www.sgx.com.

Issued on behalf of Fabchem China Limited by ShareInvestor Pte Ltd

Media & Investor Contact

Mr. Alex TAN
Direct Line: +65 6517 8771
Mobile: +65 9451 5252
Email: alex.tan@shareinvestor.com

About Fabchem China Limited (Bloomberg Code: FABC:SP / Reuters Code: FBCH.SI)

Listed on the Singapore Exchange Mainboard, Fabchem is one of the leading manufacturers of initiation systems and the largest boosters and detonating cords producer within a supply-regulated industry in China. Fabchem's products are widely used in the mining, energy exploration, hydroelectric and infrastructure construction sectors. These include explosive devices (boosters and seismic charges), industrial fuse and initiating explosive devices (detonating cords and non-electric tubes), industrial detonators (piston non-electric detonators), as well as explosive-grade ammonium nitrate.

With its products sold to more than 150 customers in the mining, energy exploration, hydroelectric and infrastructure construction industries across more than 10 countries, the Group has established "Yinguang" as a brand name synonymous with safety, reliability and high quality. Fabchem's reputation as an established initiation systems producer of international-standard quality has strengthened its competitive positioning within commodities-driven economies.

English-Chinese Glossary

Explosive Devices

Booster	起爆具
Seismic Charge	震源药柱

Industrial Fuses and Initiating Explosive Devices

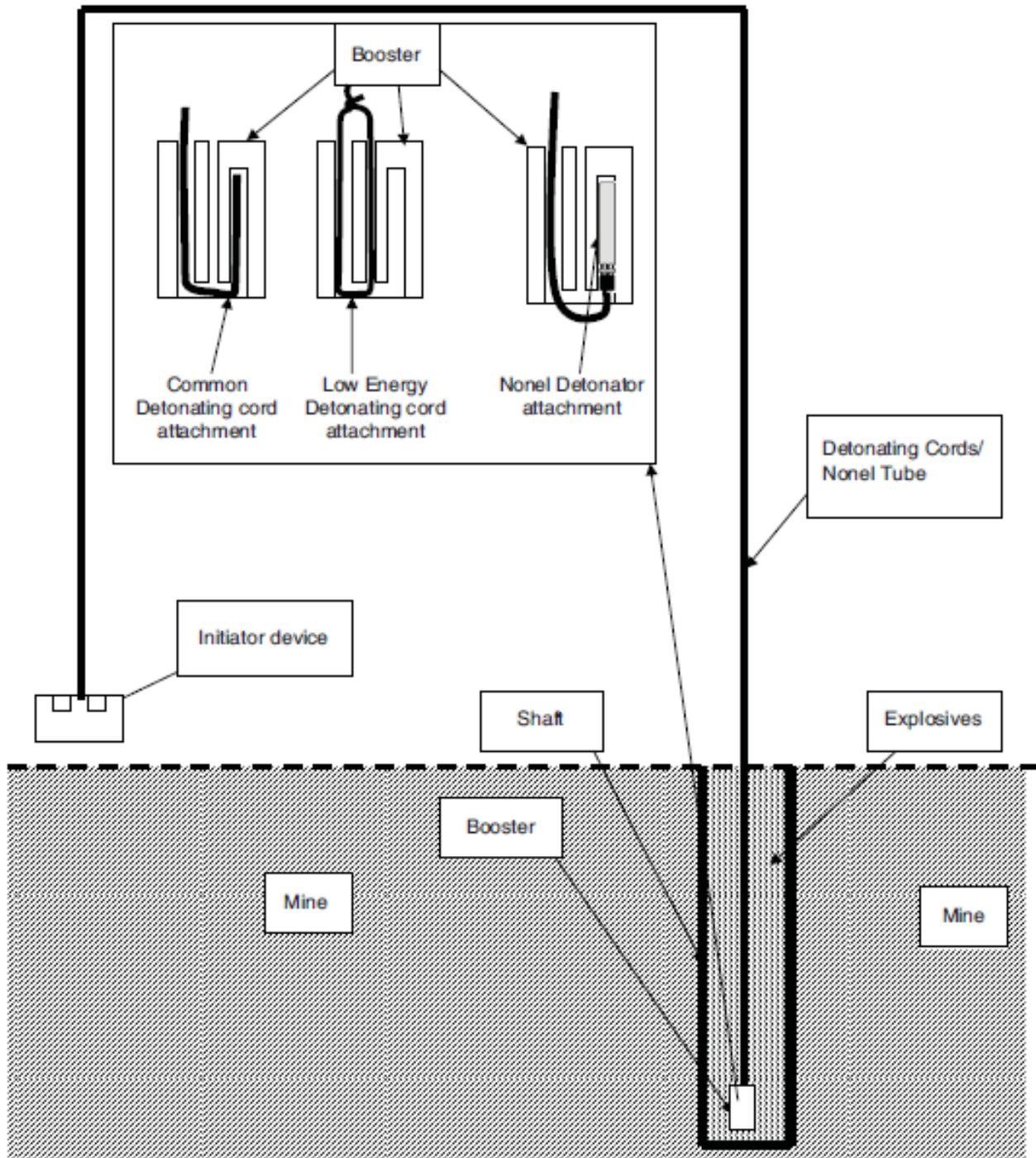
Detonating Cord	导爆索
Non-Electric Tube	导爆管

Industrial Detonators

Piston Non-Electric Detonator	活塞式导爆管雷管
Ammonium Nitrate	硝酸铵

Usage Diagram

The following diagram illustrates the usage of our products in a simplified explosive set-up:-



Note: The diagram and the products shown above are not drawn to scale.

Source: Fabchem China Limited